Regular Session, 2012

SENATE BILL NO. 391

BY SENATOR RISER

HEALTH/ACC INSURANCE. Exempts La. Medicaid programs from insurers who may be taxed by a municipal or parochial corporation. (7/1/12)

1   AN ACT

2 To amend and reenact R.S. 22:833(A)(1) and to enact R.S. 22:833(E), relative to the

3   authorization of local taxes; to provide with respect to the exemption of Louisiana

4   Medicaid programs from taxes imposed by a municipal or parochial corporation; to

5   provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7   Section 1. R.S. 22:833(A)(1) is hereby amended and reenacted and R.S. 22:833(E)

8 is hereby enacted to read as follows:

9   §833. Authorization of local taxes; penalties for nonpayment

10   A. Any municipal or parochial corporation in the state shall have the right

11   to impose a tax on any insurer engaged in the business of issuing any form of

12   insurance policy or contract, which may now or hereafter be subject to the payment

13   of any tax for state purposes, as provided in this Part, as follows:

14   (1) On any insurer engaged in the business of issuing life or accident or

15   health insurance policies, other than **<u>insurers providing services or benefits</u>**

16   **<u>through a contract with Louisiana Medicaid programs or</u>** programs of benefits

17   authorized or provided pursuant to the provisions of Parts I and II of Chapter 12 of

1   Title 42 of the Louisiana Revised Statutes of 1950, or other forms of contracts or

2   obligations covering such risks, or issuing endowment or annuity policies, or

3   contracts, or other similar forms of contract obligations in consideration of the

4   payment of a premium or other consideration for the issuance of such policies,

5   contracts, or obligations, whether such insurer is operating in this state through an

6   agent or other representative or otherwise, not more than ten dollars on gross annual

7   premiums up to two thousand dollars, and the additional tax thereafter shall not be

8   more than seventy dollars on each ten thousand dollars, or fraction thereof, of gross

9   annual premiums in excess of two thousand dollars. However, the maximum tax on

10   such businesses, payable to such municipal or parochial corporation by any one

11   insurer, shall not exceed twenty-one thousand dollars.

12   *   *   *

13   **E. For a municipal or parochial corporation which has not imposed a**

14   **tax pursuant to this Section on or before June 30, 2012, the authorization for**

15   **such tax shall cease effective July 1, 2012. However, a municipal or parochial**

16   **corporation which imposed a tax pursuant to this Section on or before June 30,**

17   **2012, shall retain the authority to renew that existing tax so long as such**

18   **renewal does not exceed the limit provided in this Subpart.**

19   Section 2. This Act shall become effective on July 1, 2012; if vetoed by the governor

20   and subsequently approved by the legislature, the Act shall become effective on July 1,

21   2012, or on the day following such approval by the legislature, whichever is later.

The original instrument was prepared by Cheryl Horne. The following digest,
which does not constitute a part of the legislative instrument, was prepared
by McHenry Lee.

DIGEST

Riser (SB 391)

Present law permits any municipal or parochial corporation in the state to impose a tax on
any insurer engaged in the business of issuing any form of insurance except for programs
or benefits administered through the office of group benefits. Provides that the tax shall not
be more than $10 on gross annual premiums up to $2000 and the additional tax thereafter
shall not be more than $70 on each $10,000 of gross annual premiums in excess of $2000.
Further provides that the maximum tax shall not exceed $21,000 on any one insurer.

Coding: Words which are ~~struck through~~ are deletions from existing law;
words in **boldface type and underscored** are additions.

Proposed law retains present law and excepts insurers providing services or benefits through a contract with Louisiana Medicaid programs from the authorization under present law.

Proposed law provides that effective July 1, 2012, no additional municipalities or parochial corporations may pass an ordinance to collect local taxes authorized in present law.

Proposed law provides that any municipality or parochial corporation which imposed the tax pursuant to present law shall retain the authority to renew that existing tax up to the limits in present law.

Effective July 1, 2012.

(Amends R.S. 22:833(A)(1); adds R.S. 22:833(E))

Summary of Amendments Adopted by Senate

      Senate Floor Amendments to reengrossed bill.

      1.   Adds an exception for insurers providing services or benefits through a contract with Louisiana Medicaid programs.